

DEPARTMENTAL BUDGET INFORMATION

AIRPORT DEPARTMENT (10)

STATEMENT OF PURPOSE

The Airport Department will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

Maximize the Coleman A. Young International Airport's economic benefit to our community and region to build the Next Detroit.

DESCRIPTION

The Coleman A. Young International Airport covers 260 acres of land, which includes: two runways, the Air Carrier Terminal, Executive Terminal (including 14 large hangars), 129 small aircraft hangars and space for 175 based aircraft. It handles more than 80,000 aircraft operations and 1.5 million pounds of cargo annually.

The airport staff is responsible for the administration, operations, and maintenance of the airport. In addition, there are more than 100 personnel employed at Coleman A. Young International Airport. The primary employers are the Airport Department, Signature Flight Support, Hertz, Enterprise, Phoenix Aviation, and the Detroit Fire Department.

The airport hosts a number of interesting programs for youth and adults, including: The Explorers High School, Wild Blue Wonders (middle school) and Experimental Aircraft Association.

MAJOR INITIATIVES FOR FY 2005-06 and FY 2006-07

The Department proposes to publish a Request for Qualifications to identify

companies that are qualified to manage and develop the Coleman A. Young Airport. Our goal is to form a public/private partnership to provide the best opportunity for the City of Detroit's:

- Vision for the growth and redevelopment of the airport;
- Plan for capital investment in the airport to create a thriving enterprise;
- Opportunities for Detroit based and Minority-owned businesses;
- Employment opportunities for displaced city employees;
- Expected income to the City's General Fund (including rents, taxes, etc.).

In addition, the City will work with its chosen partner to ensure adequate public oversight and maintenance of federal; state and local requirements.

PLANNING FOR THE FUTURE FOR FY 2006-07, FY 2007-08 and BEYOND

The Airport Department's dynamic and ambitious vision for the future is to establish the Coleman A. Young Airport as an anchor for economic development, job creation, and improvements for the surrounding community. The vision includes modernized facilities, improved customer service, revamped business practices, and continued development programs. Restoring and maintaining airline service is a key component to maximize the potential impact of the Coleman A. Young International Airport and to the airport's role in helping to build the Next Detroit.

To achieve that vision, the department's goals are to build a longer runway to secure low cost airline service; to rehabilitate the executive terminal for use as a conference center, office space, and museum; to

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develop the Airport portion Conner Creek Greenway to connect the Detroit River to Eight Mile Road with a greenbelt composed of bike and walking paths with scenic and historic stops along the way; and to acquire land along French Road to meet FAA design standards. Additional economic development options are under consideration.

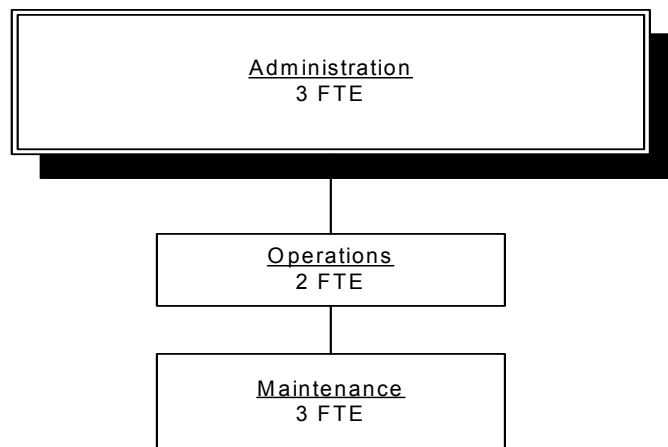
The Airport Department must overcome a number of challenges in order to make its vision a reality.

Restoring Airline Service

Most aircraft in airline fleets require runways longer than the 5,090-foot runway at the Coleman A. Young International Airport. Returning airline service to the Airport is a large challenge. The Airport continues to contact and visit established and new airlines to restore service. Until

funding and other issues related to the building of a longer runway are finalized, McNichols Road has to remain closed. Reopening McNichols Road prior to the construction of a new runway would eliminate any opportunity for new airline service. The corporation and corporate services using the facility would be eliminated if not severely restricted as well. Beyond the expansion of the runway, securing new airline service at the airport is a long process. It takes 2 to 3 years from initial contact to new service initiation because of the economics and risks involved. However, the Airport Department has an active recruiting program and has enhanced it with performance-based incentives.

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PERFORMANCE MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2004-05 Actual	2005-06 Projection	2006-07 Target
Inputs: Resources Allocated or Service Demands Made			
Capital Investment	N/A	N/A	N/A
Number of hours of training	N/A	N/A	N/A
Outputs: Units of Activity directed toward Goals			
Corporate/Charter Passengers	52,145	52,145	60,000
Airline Enplanements	3,457	3,457	10,000
Average monthly tons of air cargo	69.7	69.7	75
Outcomes: Results or Impacts of Program Activities			
Budgeted city subsidy	2,568,402	0	0

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EXPENDITURES

	2004-05 Actual Expense	2005-06 Redbook	2006-07 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 930,752	\$ 270,585	\$ 394,893	\$ 124,308	46%
Employee Benefits	571,875	161,786	254,842	93,056	58%
Prof/Contractual	393,289	10,000	59,201	49,201	492%
Operating Supplies	240,615	90,220	118,188	27,968	31%
Operating Services	868,106	388,841	443,758	54,917	14%
Capital Equipment	1,609,477	-	5,000,000	5,000,000	0%
Capital Outlays	26,360	20,000	8,769	(11,231)	-56%
Fixed Charges	-	85,279	-	(85,279)	-100%
Other Expenses	(399,156)	2,630,616	262,459	(2,368,157)	-90%
TOTAL	\$ 4,241,318	\$ 3,657,327	\$ 6,542,110	\$ 2,884,783	79%
POSITIONS	22	5	8	3	60%

REVENUES

	2004-05 Actual Revenue	2005-06 Redbook	2006-07 Mayor's Budget Rec	Variance	Variance Percent
Rev from Use of Assets	\$ 1,004,089	\$ 447,851	\$ 999,110	551,259	123%
Grants/Shared Taxes	1,021,348	-	-	-	0%
Sales & Charges	121,728	634,476	120,000	(514,476)	-81%
Contrib/Transfers	2,568,402	2,570,000	-	(2,570,000)	-100%
Miscellaneous	2,054,787	5,000	5,423,000	5,418,000	108360%
TOTAL	\$ 6,770,354	\$ 3,657,327	\$ 6,542,110	\$ 2,884,783	79%